

State of South Dakota

SEVENTY-FIFTH SESSION
LEGISLATIVE ASSEMBLY, 2000

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HOUSE BILL NO. 1318

Introduced by: Representatives Hunt, Brown (Jarvis), and Wilson and Senators Halverson and
Hutmacher

1 FOR AN ACT ENTITLED, An Act to add the Student Loan Marketing Association to certain
2 existing permitted investments of insurers.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 58-27-53 be amended to read as follows:

5 58-27-53. An insurer may not, except with the consent of the director, have any combination
6 of investments in or loans upon the security of the obligations, property, or securities of any one
7 person, institution, corporation, or municipal corporation, aggregating an amount exceeding five
8 percent of the insurer's assets. This restriction does not apply to the following: (1) bonds, notes,
9 debentures, certificates, participations, or interest or other obligations issued by, or the payment
10 of which is guaranteed or insured by, the United States Government or any agency or
11 instrumentality or subdivision thereof; (2) obligations of the Student Loan Marketing
12 Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage
13 Corporation; (3) bonds, notes, debentures, or other obligations issued by, or the payment of
14 which is guaranteed by, the State of South Dakota or any state as defined in subdivision
15 58-1-2(16); or (4) policy loans made under § 58-27-31 or investments made pursuant to
16 § 58-27-25 or 58-27-26, or both.

1 Section 2. That § 58-27-51 be amended to read as follows:

2 58-27-51. Notwithstanding the aggregate limitations set forth in chapter 58-27, an insurer
3 may exceed such limitations if it does not invest, in the aggregate, an amount in excess of fifty
4 percent of its capital and surplus in excess of four hundred thousand dollars, if such investment
5 otherwise complies with chapter 58-27. The provisions of this section do not apply to the
6 exceptions set forth in § 58-27-53.